

**Iowa Telecommunications & Technology Commission  
Telephonic Meeting  
400 E. 14th Street, Des Moines, IA 50319**

**FINAL**

**April 15, 2009**

*To ensure the most efficient use of State resources, the April 15, 2009, ITTC meeting was held via conference call pursuant to Iowa Code section 21.8. A conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.*

**Commissioners Present**

Betsy Brandsgard, Chairperson  
Robert R. Hardman, Member  
David A. Vaudt, Ex-Officio Member  
Pamela A. Duffy, Member (Joined the call at 10:42 AM)  
Michael W. Mahaffey, Member (Joined the call at 10:37 AM)  
Timothy L. Lapointe, Member

**Commissioners Absent**

**Iowa Communications Network Staff Present**

John Gillispie, Executive Director  
Joseph Cassis, Deputy Director  
Dave Lingren, Service Delivery Administrator  
David Marley, Operations Administrator  
Kevin Heinzeroth, Finance Director  
Vicki Wallis, Engineering Administrator  
Lori Larsen, Administrative Assistant (Recorder)

**Guests**

Adam Humes, Attorney General's Office  
Kyle Holmgren, Qwest  
Lynee Casper, AEA 11

**Call to Order**

Commissioner Brandsgard called the meeting to order at 10:34 AM. It was noted that a quorum of members were present for the meeting.

**Approval of 3/26/09 Meeting Minutes**

Approval of the March 26, 2009 meeting minutes was informally tabled until the May 21, 2009 meeting.

**Old Business**

**OSS RFP Preparation and Status – Vicki Wallis**

The Operations Support System (OSS) RFP was released April 3, 2009. The vendor conference is scheduled for Friday, April 17. The ICN has been contacted by several vendors who have asked for directions and/or information to join via the teleconference. The ICN will be recording the audio conference, so other potential vendors can access the information. The ICN's goal is to make the RFP process as open and inclusive as possible. Within two weeks of the vendor conference, written questions are due, responses will be sent back, and the non-mandatory "intent to bid" is due. The non-mandatory "intent to bid" will indicate how many vendors are interested in bidding the RFP. The ICN demonstration day, to show current data and systems that are potentially impacted by the RFP, is scheduled for May 1, 2009. The scoring team has two sections to

complete and a decision to make on the vendor demonstration instructions. The scoring team must be completed with the scoring before the bids are due on May 29, 2009.

Commissioner Hardman asked, when the final date to have everything in order and completed?

Vicki Wallis added that the bid submissions are due back to the ICN on May 29, 2009. The month of June is reserved for evaluation and the month of July is reserved for vendor demonstrations.

### **Operations Update – Dave Marley**

Good news concerning improvements that the ICN is completing.

Last fall, a large video conference was held by school superintendents with over 100 active sites participating. The video conference did not go well, several issues aligned to create a bad experience. The chosen school originate site had one of the oldest model of the node controllers. When many sites tried to speak at the same time, the commands overwhelmed the originate site's controller. If the ICN had known this in advance, the experience could have been improved with their aging equipment. We are pursuing a way to flag large sessions in the scheduling system, so potential participants can be forewarned. Meantime, the ICN worked with the sites and preparation paid off as the Network was successfully utilized on March 30 and April 1 for the current round of Iowa School Board officials meetings, utilizing both technical and coaching techniques.

On Wednesday, April 16, a session was held between Creighton University Dental School, utilizing the Iowa National Guard facility in Council Bluffs, with a dental school in Baghdad, Iraq, as part of the Sister City Partnership between Council Bluffs and Karada, Baghdad, Iraq. There were five individuals involved in Iraq and four involved in Council Bluffs. The ICN is pleased to offer this type of collaboration. Deputy Director Cassis added that a similar session was held in October 2008. Thanks to all the ICN staff that was involved with this video session. Many more of these sessions are planned to exchange and enhance educational materials and experiences in the field.

As the weather has moderated, we have seen the usual increase in activity in the Outside Plant (OSP) area. Given expectations that the Federal stimulus money will significantly increase road construction, therefore the ICN expects to increased costs due to cable re-location projects with expansion of bridge projects. The ICN is already above average costs for projects related to this type of activity. We expect an increase in OSP, General Operations, and Engineering activity with the Iowa Hospital Association Network.

Along with the many Network projects, the ICN also has some infrastructure improvements. The JFHQ improvements include: rectifier (converting AC to DC), inverter (converting DC to AC), and battery plant upgrade is under way.

#### **Lucas Building Improvements:**

- The ICN will be pursuing Federal stimulus money for updates to the HVAC system, where the current units were installed in the 1980s and 1990s.
- The ICN is updating the 46-volt DC power plant utilizing rebates from the battery manufacturer. The large backup batteries have a 20 year warranty; currently the batteries are 10 years old and will be replaced under a pro-rated formula. This will enhance the survivability of the site in the event of a power outage. Along with this, the ICN is replacing an aging auto-transfer switch that brings a backup generator online when it detects commercial power failure built by Studebaker.
- The ICN has installed an overhead cable management system and will be removing the multitude of unused cables over time. The raised computer floor is roughly 18 inches above the main concrete floor, and that area is filled with cables. The ICN is currently taking steps to migrate cabling overhead and pull cable out of

the floor. When adding or making cabling and wiring changes, current traffic is put in danger and for the last two years this type of work is completed before or after business hours to keep traffic operational.

**Service Desk-Service Manager:** Advance Market Place (Contractor) , located in Des Moines, is meeting with charter agencies (ICN, Department of Transportation and Department of Administrative Services/Information Technology Enterprise) on Wednesday, April 15, regarding the migration plan for Service Desk-Service Manager, which is a heavily used application by state agencies.

**Network Edge Switch-Lab Testing:** Senior Operations and Engineering technicians spent significant time in the lab at JFHQ (Joint Forces Headquarters) developing an “edge switch” for testing vendors' Network equipment over the last several weeks with one of the goals being increased Network reliability, specifically at the point of handoff to the customer. One key improvement sought was to stop the ability of a customer to inadvertently take down elements of the Network.

Commissioner Hardman asked about the cable in the Des Moines area, at one time the ICN was concerned about the depth of the fiber cable.

David Marley said the weather has moderated and has thawed out the three areas of concern. One area will be replaced with conduit. The other two areas: one had two of twelve fibers damaged; therefore those cables are not going to be replaced due to plenty of spares. The ICN is going to increase drainage in the two areas; both are in low areas where water congregates. There is a product that is made by a cable lubricant company. The product is a jelly format, and it is pumped into the conduit, which seals it. AT&T has used this product with bridge attachments. The ICN is looking in pumping the jelly substance in the concerned areas.

Commissioner Brandsgard asked after the last ITTC meeting, about a request that I had from AEA 9 in Bettendorf. AEA 9 wanted to know if they could serve as an “out-post” for Eastern Iowa to be a storage facility for certain types of equipment, so when there is an equipment failure and/or if they need a part, they wouldn't have to wait as long for replacement.

David Marley said he is currently working with Joe Coon at AEA 9. The ICN appreciated the storage offer. The ICN has facilities in the Davenport/Bettendorf area. It is not a lack of storage area or space. At this time PAETEC has no technicians placed in that area. Both PAETEC technicians are located either north or south of that area, and the respective spare locations are more geographically located close to where the PAETEC technicians are. Ideally the ICN would have a technician located in the Quad City area along with a spare depot. The ICN is looking at that, but the question becomes does the ICN purchase additional equipment or redistribute the current spares.

#### **Legislative Update – Director Gillispie**

The budget bills are not completely out yet by the legislature. The capital bill's shell was passed last Friday, but the shell only consistent of the opening and closing sentence with nothing in between, normally that bill is 60-80 pages long. Concerning the Governor's bonding bill—IJOBS program continues to be a topic of great discussion. IJOB's did not get high support by a survey conducted by the Des Moines Register; only 29-30 percent of citizens supported that program. All of the ICN bills are unofficially dead. The ICN did have bills survive funnel dates, but the necessary action was not taken to move them to the floor. The efforts that the ICN had with PART III are over for this year. Director Gillispie expects that another run will be taken at language associated to selling or leasing the ICN. That continues to be introduced; thus far that language has not ended up in a bill.

### **Healthcare Network Update – Dave Lingren**

The final number of hospitals that have signed up and submitted with the Federal Communication Commission (FCC) for participation in round one is 85 locations, which should increase after July 1, 2009. The final numbers is estimated to be in the 90 to 92 range.

The largest delay right now relates to the Iowa Hospital Association (IHA) working with contract issues. The IHA is working with 11 vendors (2 electronics vendors providing equipment, 4 fiber installation vendors, and 5 fibers vendors associated with leasing capacity).

There are outstanding issues concerning the work with the FCC. There are organizations that want to participant that are not eligible under the grant, for example the facility is built out and runs by a school. The schools are expressing that they would like to utilize the excess capacity. The FCC did not anticipant that when they initially wrote the grant. The ICN is wondering how it will connect schools, and still stay within the Iowa Code requirements. The IHA has been working with the FCC concerning this issue.

The ICN is working with the FCC concerning pricing. Several months ago, the ICN submitted pricing, which the Commission approved, for the hospital Network. The pricing is unique to the ICN's typical Ethernet pricing; it is more whole sale verse retail, specific to a consumer base hospital. At first the FCC looked at the pricing being favorable, and now the FCC is asking additional questions to the IHA. The FCC says that if the ICN has that pricing, anyone on this Network must also have the pricing. The ICN is in the process of reviewing that information.

The quality assurance request for proposal – the proposal states, as the ICN is working with the fiber vendors to ensure quality standards are being met, that if progress exceeds the ICN's Operations Team ability, that the ICN has an RFP to call upon contractors to augment the workforce to complete that task. That RFP is in the final draft, and the ICN expects next week to be submitted.

ICN has contracted to connect one site with the Iowa Health Systems (IHS), and received final approval to install 100 megabits of service to Green County Medical Center.

### **Federal Economic Stimulus Package Update – Director Gillispie**

The ICN, Iowa Utilities Board (IUB), and a number of other state agencies submitted comments to National Telecommunications and Information Administration's (NTIA) request for comments on 14 questions. Deputy Director Cassis and Tami Fujinaka helped with compiling that information. The NTIA has not indicated on when they intend to publish rules; theory is before the end of the month. There is also a theory that the NTIA is going to wave the normal waiting period required for implementation of those rules and give time for public comment. Director Gillispie looked at the NTIA's website for the number of comments filed; there are hundreds to thousands of comments that the NTIA will need to review for the development of the rules.

The good news is top officials for both the NTIA and RUS have been named, they have not been through the Senate confirmation process. The administration is saying that they expect the first round of grants to come out sometime in May 2009.

Director Gillispie is on a sub-committee board of IT and Telecom experts that are developing an RFP for the mapping and broadband stimulus promotion that is a part of the NTIA package. At this time, the estimate is that each state will get a flat amount of money to finish the mapping and be given the parameters on the data elements. There were an equal number of comments on the mapping portion of the bill. The bill does require that mapping be made available, with specific information down to the street level in the USA. The IT/Telecom committee will continue to work and report to a committee that exists in the Governor's office relative to all of the stimulus package activities.

Associated with the Federal stimulus package the state is looking at a program called IJOBS. Included in the original IJOBS program was \$25 million to promote the deployment of broadband in Iowa, and was originally envisioned to be money for private sector companies to use as matching money where they couldn't make a business case for sustainability at the 80 percent level. The industry lobbied heavily against the \$25 million. The legislature remains interested in that program, and Director Gillispie has discussed options on how they might make such a program work. The objective legislators have is 100 percent of broadband coverage for every citizen in the State of Iowa. The next step is to see what the NTIA and RUS does.

### **Part III Review – Director Gillispie**

Yesterday the ICN distributed Part III background information and current issue paper which will be posted on the ICN's website, so it will be publicly available.

[http://www.icn.state.ia.us/itc/meetings/itc%20notice/documents/Part%20III%20Information%202%20\(2\).pdf](http://www.icn.state.ia.us/itc/meetings/itc%20notice/documents/Part%20III%20Information%202%20(2).pdf)

During the March 26, 2009 meeting of the Iowa Telecommunications and Technology Commission, the ICN staff was requested to provide additional information regarding the issues relating to Part III and other connections to the Network that must be leased as specified by the Code of Iowa.

### **Background:**

- Early in the 1980's, Iowa community colleges were the first to experiment with educational Networks for distance learning in Iowa. Several community colleges planned and installed separate microwave-based telecommunications Networks. In 1987, the community colleges proposed the idea of a statewide microwave-based Network to connect the community colleges. The Iowa Department of General Services (DGS) and Iowa Public Television (IPTV) issued an RFP (Request for Proposal) which did not receive any proposals for a microwave-based Network. Instead, they received proposals for a fiber optic Network reflecting newer, high capacity and more reliable technology. The State attempted to award the RFP for the fiber optic Network, but was unsuccessful.
- In April 1989, the legislature passed a bill providing for the construction of a shared, statewide telecommunications Network that would connect 361 sites serving not only education but state government. An RFP was released in April of that year. Two bids were received and rejected due to the proposed cost. The bids were for 90 megabit connections and ten pair of fiber optic cable. Also included in the proposals were a few sites for K-12 education.
- In October of 1990, a second RFP was issued for only Parts I and II of the Network. Part I included one classroom at each community college and Regent University, the Lucas Building on the Capitol Complex and IPTV to the ICN Hub at Camp Dodge. Part II included additional authorized user connections from the Part I hubs to ensure that there was a point of presence and classroom in every county. The number of end points in the second RFP was reduced from 361 to 104. In the meantime, a codec (coder/decoder equipment) was found that would use less bandwidth capacity and provide the quality of video that the educational community would support. The bandwidth requirement was reduced from 90 megabits to a DS3 (45 megabits) and the fiber optic cable count was reduced to two pair. At this point, it was realized that the majority of the K-12 schools and libraries would have to wait for their connections because of the reduction of the number of connections. The RFP provided for a "lease" or "to own" bid. DGS awarded the bid for a state-owned telecommunications infrastructure to Kiewit, an Omaha company.
- Since the purpose of the Network was to provide distance learning for students in rural areas of the state, the next step was to connect the public and private K-12 schools, public libraries and Area Education Agencies (AEAs) that had not been already connected as a Part II county point of presence connection. In negotiating

support for the Part III connections, the only way to acquire the necessary votes for the continuation and funding of the project was to agree that the Part III connections had to be leased.

**Issues:**

The following are operational issues that must be addressed because of the leasing policy requirements in *Code of Iowa*, Chapter 8D.

- **Inflated lease bids due to lack of competition:** When the policy for Part III was developed, it was determined that the leases would be for a seven-year duration with a possible three-year extension. This ten year life span expectation was included in the RFP. The first Part III sites became operational in fall of 1995 and the project construction lasted approximately five years. Lack of competition in the bidding process is a major problem that the Network faces. Rarely does the ITTC receive more than one bid for each connection and often there are no bids for some sites. In these cases, extensions or non-competitive sole source contracts are left to the incumbent. Since the ITTC must lease these connections, the Commission cannot explore potentially lower cost options and as a result, may not be charged a fair rate for these connections.

**ICN Part III Invitation to Bid (ITB) Results**

ITB Release Year	Number of Sites	No Bids Received	Renewed Existing Agreement*	Sole Source Agreement with Incumbent	Comments
2002	48	3	3		48 sites were bid. Received no compliant bids for 3 sites. Renewed existing agreements.
2003	111	15	98		
2004	100		94		11 vendors did not bid. ITB was reissued. Received no bids for 8 sites.
2005	51	36	24	8	
2006	102		6	12	Vendors providing the service did not bid. Only bid received was over 284% per circuit higher than current vendor.
2007	99	39	3	35	
2008	54	11		11	Received no bids for 11 sites. Only 3 vendors responded to ITB. Mediacom bid was not close to being comparable.

- **Required level of maintenance not available:** There have been times when the leasing agreements offered do not provide the level of maintenance that was included in the ITB and that is not adequate to provide ICN users the quality of service they require.
- **DS3/ DS1 requirements for leased circuits:** Currently the state is required to lease all fiber optic cable facilities as DS3 and DS1. The Digital Signal (DS) is a measure of bandwidth capacity, with DS3 being approximately 45 megabits per second and DS 1, approximately 1.5 megabits per second. These are Sonet Technology circuit types. Many vendors in Iowa are currently not building out their Networks with that technology but rather with Ethernet, which is more capacity efficient. The version of the ICN bill that made it to the House calendar this year included a change to the DS1/DS3 current Code verbiage which could have provided an opportunity for potentially more vendors to bid on the Part III ITB.

**Proposed Solution:** The solution that has been offered for the two past years would allow the Commission to use provisions other than leasing for Part III connections in cases when it is the best interest of the State. The language only allowed the Commission to look at other options when no bids were received or bids received were not competitive.

Commissioner Mahaffey asked the bill died in committee?

Director Gillispie said no the bill was out of committee, it died on the floor, it was never debated.



Commissioner Mahaffey asked was that due to the press of other business or was there something else behind it.

Director Gillispie said the ICN made all the necessary dates with the bill. ICN's bill wasn't the only bill that wasn't debated this year.

Commissioner Hardman stated in the past has there been objections from private telephone companies?

Director Gillispie said, we continue to have those same objections.

Commissioner Hardman asked what is the major concern.

Director Gillispie said the private telephone companies see giving the Commission the opportunity to make choices as expansion of the Network.

Commissioner Lapointe asked was there talk about giving away some of the leases?

Director Gillispie said we have had two different vendors approach the ICN to give the state the fiber, and to have the ICN begin to maintain it.

Commissioner Lapointe asked how would that work and why isn't that a feasible option?

Director Gillispie said the private sector resists one of their competitors giving the state any fiber that would possibly expand the Network beyond the 102 locations.

Commissioner Lapointe asked, so the vendors are still responsible for maintaining it, and that is why they would want to give it away?

Director Gillispie said one of the vendors who offered the fiber would have expanded the number of locations by 60-70 locations, and the private sectors saw that as a substantial expansion of the Network; however those locations are already served by the ICN, but on leased cable.

Commissioner Duffy said we need every stakeholder at that table and look at what is best for Iowa.

Commissioner Brandsgard asked Director Gillispie of any recommendations for the next step of the issue.

Director Gillispie said the ICN will rework the bill in the interim to take the language that was generally agreed to. I think it will be interesting to see how NTIA and RUS begin to impact the Telecom environment in Iowa, because one of the goals of that program is to introduce competition, which would be a little different flavor than what we have seen here. Monitoring that environment will be important to see what projects get approved here in Iowa and whether or not any tenets of the federal legislation actually begin to take hold.

Commissioner Lapointe appreciates the summary and overview of the history of Part III. The information was very helpful, it was explained very well.

### **New Business**

None

### **Other Business**

#### **May Meeting**

Commissioner Brandsgard stated that in our May meeting there is staff recognition as part of the event. The ICN is hoping that all of the Commission members will be able to join in-person for the May meeting. The ICN asks that the Commission wears business attire for pictures. If anyone can not make the May meeting, please advise the ICN as soon as possible. The Employee Recognition Committee (ERC) will be sponsoring lunch after the meeting, which should be finished around 1 PM. Director Gillispie will be on vacation for the May ITTC meeting. The ERC is trying to bring John in from a remote location.

Commissioner Brandsgard is seeking input from Commissioners concerning Director Gillispie's annual review. Please give input to Commissioner Brandsgard by April 24. Director Gillispie's review is scheduled for May 6.

All Commissioners were requested to RSVP for the May ITTC meeting in Des Moines.

### **Adjournment**

Commissioners Hardman and Duffy made a motion to adjourn the meeting. There being no further business, the meeting adjourned at 11:25 AM.

ATTESTED TO:



---

Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission